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U.S. HOUSE OF REPRESENTATIVES

PERMANENT SELECT COMMITTEE
ON INTELLIGENCE

WASHINGTON, DC 20515

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Honorable Caspar W. Weinberger
 Secretary of Defense
 Washington, D. C. 20301

Dear Mr. Secretary:

The Permanent Select Committee on Intelligence is in the early stages of markup of the Fiscal Year 1987 Intelligence Authorization Bill.


Although no budget resolution target for Defense has yet been set, it appears that a target reduction of about 10 percent may be imposed by the House Budget Committee. As you know, over 95 percent of the NFIP budget is contained within the DoD budget. Therefore, reductions of the intelligence budget are not reductions to the federal budget, but rather tradeoffs within the defense budget. There is no firm requirement that we reduce the intelligence budget in proportion to DoD overall, but our Armed Services Committee colleagues quite rightly expect us to do so. We have met this objective in previous years.

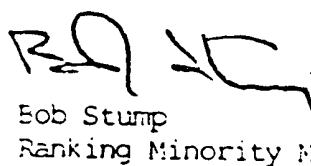
We believe that the NFIP can be reduced by some portion of the 10 percent target without unacceptable degradation, but find that the bulk of such a large reduction would have a very significant impact on capabilities. The NFIP is particularly sensitive to reductions because of the substantial funding for equipment purchased in very small quantities. Therefore, we question whether a full share of reductions, calculated on a proportional basis, should be taken from the NFIP, or whether some portion should be reduced elsewhere in Defense to preserve important NFIP programs.

We recognize that this is a very difficult question. Moreover, we fully understand that you intend to resist any reductions to the Defense budget. Nonetheless, we believe that your consideration of the relative priority of the NFIP is important and would be very helpful to this Committee and the Armed Services Committee before significant legislative actions are taken.

We look forward to receiving your views.

Sincerely yours,


 Lee H. Hamilton
 Chairman


 Bob Stump
 Ranking Minority Member

